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Annual Report

JUL 8 1963

ORENADA MINES LIMITED
(NO PERSONAL LIABILITY)

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FOR THE YEAR ENDED DECEMBER 31, 1962

ORENADA MINES LIMITED

(No Personal Liability)

AUTHORIZED CAPITALIZATION

\$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 each.

DIRECTORS

DAVID W. GORDON	- - - - -	Toronto, Ontario.
M. W. MacDOWELL	- - - - -	Brockville, Ontario.
GORDON L. MOORE	- - - - -	Islington, Ontario.
C. S. KENNEDY	- - - - -	Toronto, Ontario.
JAMES M. HUGHES	- - - - -	Toronto, Ontario.

OFFICERS

DAVID W. GORDON	- - - - -	President
M. W. MacDOWELL	- - - - -	Vice-President
GORDON L. MOORE	- - - - -	Secretary-Treasurer
CHARLES B. BRANNIGAN	- - - - -	Assistant Secretary

HEAD OFFICE

620 Cathcart Street	- - - - -	Montreal, Quebec.
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EXECUTIVE OFFICE

908 - 330 Bay Street	- - - - -	Toronto, Ontario.
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TRANSFER AGENTS AND REGISTRAR

CROWN TRUST COMPANY		
302 Bay Street	- - - - -	Toronto, Ontario.

ORENADA MINES LIMITED

(No Personal Liability)

Directors' Report

To the Shareholders:

The financial statements of your Company and notes relative thereto covering the fiscal period ended December 31st, 1962, and the Report of the Auditors are submitted for your consideration.

Your Company's mining property situated adjoining that of East Sullivan Mines Limited, near Bourlamaque, Quebec, was maintained in good standing.

As restudy of the Orenada property indicated that the claims are traversed by approximately 3.5 miles of the Cadillac "Break" generally considered by geologists to be the main structure responsible for ore-making conditions in the Malartic-Val d'Or Camp. Early in 1963, it was decided to carry out a detailed magnetometer survey on that part of the property traversed by the Cadillac Break, for the purpose of trying to pinpoint any flexures or rolls along the Break that could give rise to an auriferous ore shoot in this essentially overburden area. The fault has a strike length of about 3.5 miles where it traverses the southerly portion of the Orenada claims.

Previous work on this part of the property during the late 30's had succeeded in locating two gold bearing zones associated with the fault in the westerly part of the property. At that time the diamond drilling had been done with a small-diameter core which did not yield good recovery in the value area probed by these shallow holes. It was considered worthwhile to drill the two gold zones with a series of deeper holes recovering larger sized core.

The magnetometer work was underway by mid-February, 1963, and completed about the end of March. A strip approximately 2,000 feet in width was selected for coverage along the entire length of the break; cross lines were cut at 200-foot intervals and every second line was extended to catch the south boundary of the property. The known ore zones appeared to yield weak responses to the magnetic survey but nothing of more than passing interest turned up elsewhere.

Diamond drilling began immediately upon completion of the magnetometer survey with two machines being employed most of the time. The bulk of the probing done has been to undercut the previous line of shallow holes drilled on the two known gold-bearing zones. This has largely confirmed the marginal grade indicated in the 1938 work for these areas and also succeeded in extending the more westerly of the two shoots a short distance farther west. The structure in which the values occur is a wide one and appears strong. A total of 6,116 feet had been drilled in 11 holes to May 31, 1963, and drilling was being continued with one drill as at this date. Considerable drilling will be required to fully assess the ore possibilities of the property.

Respectfully submitted on behalf of the Board of Directors,

D. W. GORDON,

President.

DATED at Toronto, Ontario,
this 4th day of June, 1963.

ORENADA MINES LIMITED

(NO PERSONAL ACCOUNTS)

(Incorporated under the Qu

Balance Sheet as at

ASSETS

Current

Cash in bank	\$	39.95	
Accounts receivable	\$	778.60	
Less: Allowance for doubtful accounts		778.60	
			\$ 39.95

Investments in and advances to other mining companies (Note 1)

Advances	57,772.09	
Shares at cost less amounts written off (market value \$10,150.)	113,358.50	
		171,130.59

Mining Claims

51 mining claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec, acquired for 1,000,000 shares of capital stock at a valuation of	50,000.00	
Costs paid in cash	115.50	
		50,115.50

Deferred Expenditure

Mine development and administrative expenses per attached schedule	317,792.13	
		<u>\$539,078.17</u>

AUDITORS' REPORT

To the Shareholders,
Orenada Mines Limited,
Toronto, Ontario.

We have examined the balance sheet of Orenada Mines Limited (N mine development and administration expenses for the year ended on that and such tests of accounting records and other supporting evidence as we

In our opinion the above balance sheet and the attached statement financial position of the company as at 31 December, 1962 and the results accepted accounting principles.

Toronto, Ontario,
June 21, 1963.

IES LIMITED

(LIABILITY)

(Mining Companies Act)

December 31, 1962

LIABILITIES

Accounts payable \$ 591.85

SHAREHOLDERS' EQUITY

Capital Stock

Authorized:

5,000,000 shares of \$1.00 par value

Issued and fully paid:

3,750,000 shares of \$1.00 par value (Note 2) \$ 3,750,000.00

Less: Discount on shares sold 3,085,863.50

664,136.50

Capital deficit per attached schedule 125,650.18

538,486.32

Approved on behalf of the Board:

D. W. GORDON, Director.

G. L. MOORE, Director.

\$539,078.17

THE SHAREHOLDERS

Personal Liability) as at 31 December, 1962 and the statement of deferred
Our examination included a general review of accounting procedures
considered necessary in the circumstances.

deferred mine development and administration expenses present fairly the
operations for the year ended on that date, in accordance with generally

HOUSTON, COSSAR & CO.,
Chartered Accountants.

ORENADA MINES LIMITED

(No Personal Liability)

NOTES TO FINANCIAL STATEMENTS

31 December, 1962

NOTE 1 — Investments in and advances to other mining companies consist of:—

	Advances	Shares	
		Book Value	Market Value
Captain Mines Ltd. —			
advances	\$18,585.39	—	—
16,000 shares at cost	—	\$ 1,600.00	\$ 2,400.00
Wesley Mines Ltd. —			
advances	17,378.48	—	—
55,000 shares at cost	—	5,500.00	1,375.00
Anacon Lead Mines Ltd. —			
loan including accrued interest	21,808.22	—	—
Northern Canada Mines Ltd. —			
2,500 shares at cost	—	6,257.50	6,375.00
Nigadoo Mines Limited —			
100,000 shares at cost	—	100,000.00	—
Nituk Mines Limited —			
2,005 shares at cost less \$12,899.00 written off	—	1.00	—
	<u>\$57,772.09</u>	<u>\$113,358.50</u>	<u>\$10,150.00</u>

NOTE 2 — Subsequent to the balance sheet date the company agreed to sell 200,000 shares of its capital stock at the price of 15¢ per share effective 21st February, 1963 and further grant an option on an additional 800,000 shares in four instalments of 200,000 shares each at the price of 15¢, 20¢, 25¢ and 30¢ per share; the said option exercisable over a period of 360 days from the effective date.

STATEMENT OF CAPITAL DEFICIT

31 December, 1962

Balance forward 1 January, 1962	\$ 35,507.29
Add: Amount written off investments in other mining companies	12,899.00
Transfers from deferred mine development and administrative expenses:	
Development expenses on mining claims abandoned	\$73,755.44
Losses on disposal of investments (net)	386.35
Incorporation expense	3,102.10
	<u>77,243.89</u>
Balance at 31 December, 1962	<u>\$125,650.18</u>

ORENADA MINES LIMITED

(No Personal Liability)

STATEMENT OF DEFERRED MINE DEVELOPMENT AND ADMINISTRATION EXPENSES Year Ended 31 December, 1962

	Expenditures carried forward 1 Jan., 1962 (less amounts written off)	Additions in year	Balance 31 December, 1962
Deferred Mine Development			
Diamond drilling	\$227,879.99	—	\$227,879.99
Surface exploration	5,529.98	—	5,529.98
Assaying	4,493.59	—	4,493.59
Maps and blueprints	625.94	—	625.94
Mining licenses	14,063.50	\$ 625.97	14,689.47
Taxes, fees, etc.	11,521.85	40.00	11,561.85
General expense	788.77	—	788.77
Surveys	14,185.95	—	14,185.95
Travel expense — mine	2,095.96	—	2,095.96
Camp and cooking expense	6,396.39	—	6,396.39
	<u>287,581.92</u>	<u>665.97</u>	<u>288,247.89</u>
Administrative Expenses			
Advertising	406.96	—	406.96
Legal and audit fees	3,135.90	185.00	3,320.90
Interest and bank charges	48.83	1.00	49.83
Head office expense	20,424.65	1,800.00	22,224.65
Postage and office supplies	1,391.12	106.40	1,497.52
General expense	75.20	—	75.20
Security registration fees	3,281.20	—	3,281.20
Telephone and telegraph	926.04	—	926.04
Transfer agent and registrars fees	4,632.25	350.01	4,982.26
Travel expense	4,933.91	72.93	5,006.84
Capital and place of business taxes	941.33	—	941.33
Insurance	785.78	—	785.78
Bad debts expense	—	778.60	778.60
Shareholders reports	1,716.51	262.39	1,978.90
	<u>42,699.68</u>	<u>3,556.33</u>	<u>46,256.01</u>
	330,281.60	4,222.30	334,503.90
Less: Interest income	15,511.77	1,200.00	16,711.77
Total Deferred Expense	<u>\$314,769.83</u>	<u>\$3,022.30</u>	<u>\$317,792.13</u>

